

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 DODE-00 NSAE-00
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FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 7471

INFO AMEMBASSY ANKARA

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

AMEMBASSY ATHENS

AMEMBASSY THE HAGUE

C O N F I D E N T I A L ROME 15846

PARIS ALSO FOR USOECD, EXCON

EO 11652: XGDS-1

TAGS: ESTC, COCOM, IT, RO, HU

SUBJ: GOI CONCERN OVER U.S. ACTIONS IN COCOM

REF: ROME 15752 (NOTAL)

1. AS REPORTED REFTTEL, ECMIN AND ECONOMIC DEFENSE OFFICER WERE INVITED TO FOREIGN MINISTRY SEPTEMBER 28 BY MINISTER MIGLIUOLO, ACTING ON BEHALF OF AND IN ABSENCE OF DIRECTOR GENERAL FOR ECONOMIC AFFAIRS MONDELLO. PURPOSE OF MEETING WAS TO IMPART GOI'S "SERIOUS CONCERN" OVER U.S. ACTIONS IN COCOM.

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MIGLIUOLO'S PRESENTATION FOCUSED ON REPORTED U.S. OBJECTION TO SALE BY ITALY OF TELECOMMUNICATIONS EQUIPMENT TO HUNGARY (DOC. COCOM 77/369), BY ENCOMPASSED ALLEGED NEGATIVE U.S. ATTITUDE TOWARD ITALY IN COCOM.

2. MIGLIUOLO FIRST DESCRIBED ALLEGATION BY ITALIAN INDUSTRY THAT U.S. HAD OF LATE ADOPTED MORE STRINGENT POLICY VIS-A-VIS

ITALIAN REQUESTS IN COCOM AND SUSPICIONS THAT DELAYS BY U.S. WERE MOTIVATED IN PART BY COMMERCIAL CONSIDERATIONS. WHILE HE CAREFULLY AVOIDED PASSING JUDGEMENT ON SUCH VIEWS, HE STATED THAT GOI EXPERTS BELIEVED THAT SOME OF RECENT U.S. OBJECTIONS WERE NOT JUSTIFIED BY THE TECHNOLOGIES INVOLVED. MIGLIUOLO ASSERTED THAT ITALY, UNLIKELY CERTAIN OTHER MEMBER COUNTRIES, HAD ALWAYS ADHERED STRICTLY TO COCOM REGULATIONS AND PRACTICES.

3. MIGLIUOLO REFERRED TO GOI'S FORTHCOMING ATTITUDE RE U.S. REQUEST ON SOLIDDEV CASE AND TO IMPRESSION GOI HAD RECEIVED THAT SUCH ATTITUDE WOULD RESULT IN EXPEDITIOUS AND SYMPATHETIC HANDLING OF ROMANIAN INTEGRATED CIRCUITRY CASE. INSTEAD, HE SAID, DESPITE MODIFICATIONS ALREADY MADE AT U.S. REQUEST, U.S. CONTINUED TO WITHHOLD APPROVAL. IN RESPONSE TO OUR QUESTION, MIGLIUOLO ADVISED THAT ITALIAN TECHNICIAN IS PRESENTLY IN U.S. AND WILL CONTACT APPROPRIATE USG OFFICES FOR TECHNICAL DISCUSSION.

4. MAIN PRESENTATION, HOWEVER, WAS DIRECTED TO HUNGARIAN CASE. MIGLIUOLO ASSERTED THAT GOI HAD SUBMITTED REQUEST TO COCOM, EVEN THOUGH IT WAS NOT TECHNICALLY REQUIRED TO DO SO. IN DESCRIBING TECHNICAL ASPECTS OF CASE, MIGLIUOLO CONCEDED THAT A 6 GHZ - 7 GHZ SPECTRUM IS NEAR 8 GHZ MILITARY RANGE AND THUS COULD POSSIBLY BE EXCLUDED (HE SAID GOI WOULD BE PREPARED TO CONSIDER REDIMENSIONING THE 6-7 GHZ). HOWEVER, REST OF EQUIPMENT IS IN 2 GHZ - 4 GHZ RANGE (WITH 1800 CHANNELS) AND THUS U.S. OBJECTION TO ENTIRE TRANSACTION, HE SAID, WOULD BE UNJUSTIFIED. CONFIDENTIAL

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MIGLIUOLO ALSO REMARKED AT ONE POINT THAT CONTINUED U.S. OBJECTION MIGHT LEAD GOI TO PROCEED WITH SALE IRRESPECTIVE OF COCOM DECISION.

5. ONE INTERESTING POINT WHICH MIGLIUOLO AND HIS ASSOCIATES REITANO AND ANGELO PRERSIANI OF THE STATE-CONTROLLED ECONOMIES SECTION RAISED WAS THE GOI IS IN AWKWARD POSITION REGARDING ITS LEGAL POWER TO DENY ITALIAN BUSINESSMAN THE RIGHT TO EXPORT ITEMS WHICH ARE CONSIDERED SENSITIVE BY COCOM. HE EXPLAINED THAT WHILE GOI CAN DENY EXPORT LICENSES, IT MUST HAVE LEGITIMATE REASON ON WHICH TO BASE DENIAL AND THERE IS SOME QUESTION WHETHER OR NOT DENIAL BASED ON COCOM DECISION WOULD HOLD UP IN COURT.

6. FINALLY, MIGLIUOLO NOTED (BRIEFLY BECAUSE, HE SAID, EMBASSY WELL AWARE OF THIS POINT) THE IMPORTANCE TO ITALIAN INDUSTRY OF EXPORT SUCH AS THOSE UNDER DISCUSSION IN CONTEXT OF PROVIDING EMPLOYMENT OPPORTUNITIES AND, MORE GENERALLY, CONTRIBUTING TO ITALIAN ECONOMIC WELL-BEING.

7. COMMENT: COCOM ISSUES HAVE CLEARLY BEEN ESCALATED BY GOI

(MIGLIUOLO REMARKED THAT HE HAD RECEIVED "POLITICAL CLEARANCE" BEFORE MAKING HIS DEMARCHE TO EMBASSY). AS EXPRESSED BY MIGLIUOLO, GOI'S CONCERNS ON HUNGARIAN CASE ARE STRONGLY FLEET, BY THEY ALSO EXTEND TO ENTIRE RANGE OF COCOM ISSUES.

8. ACTION REQUESTED: EMBASSY WOULD APPRECIATE (A) INFORMATION SOONEST ON U.S. POSITION ON HUNGARIAN CASE AND (B) ANY GUIDANCE ON RESPONSE TO GENERAL CONCERNS EXPRESSED BY MIGLIUOLO RE U.S. ATTITUDES/POLICIES ON ITALIAN REQUESTS IN COCOM. HOLMES

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